



MEETING DATE: 9/18/06

ITEM NO:

13

## COUNCIL AGENDA REPORT

DATE: September 14, 2006  
TO: MAYOR AND TOWN COUNCIL  
FROM: DEBRA J. FIGONE, TOWN MANAGER

A handwritten signature in black ink, likely belonging to Debra J. Figone, the Town Manager.

SUBJECT: DISCUSSION OF TRANSFERRING PARKING CREDITS IN THE  
DOWNTOWN PARKING ASSESSMENT DISTRICT

### RECOMMENDATION:

If Council determines that this matter is worthy of further consideration, staff should be directed to initiate appropriate amendments to the Zoning Ordinance. As an alternative, an interested member of the public could apply to amend the Zoning Ordinance.

### DISCUSSION:

In 2002, Mr. McElroy received approval to rezone the property at 227 Almendra Avenue from office to residential to construct a new single family residence on the vacant parcel. As a result, the property no longer needs the 15 parking credits. Mr. McElroy retained ownership of these parking credits after selling the home and continues to pay the annual parking assessment which will continue until 2011. Mr. McElroy has recently approached the Town regarding two other parcels within the Parking Assessment District that he is considering converting from office to residential. If approved, there will be additional parking credits that are no longer needed.

Mr. McElroy would like to sell these parking "credits" to other property owners in the District who may need additional parking to satisfy the Town's parking requirements. For example, the applicants for the approved Forbes Mill Steakhouse had to secure additional parking through complicated agreements with adjoining property owners in order to satisfy the parking requirements for additional seating. The owners of Café Rogue have indicated an interest in purchasing Mr. McElroy's unused parking credits.

(Continued on page 2)

PREPARED BY:

A handwritten signature in black ink, likely belonging to Bud N. Lortz, the Director of Community Development.  
BUD N. LORTZ  
Director of Community Development

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Reviewed by: \_\_\_\_\_ Assistant Town Manager OK Town Attorney  
\_\_\_\_\_ Clerk Administrator \_\_\_\_\_ Finance ✓ Community Development

This matter is being brought to Council for consideration and direction. Staff will pursue this matter by preparing the necessary ordinance text changes if Council determines that the Zoning Ordinance should include provisions to allow property owners in the Parking Assessment District to transfer unused parking credits from one property to another. As an alternative, a member of the public could apply to amend the Zoning Ordinance.

CONCLUSION:

Staff does not see any significant policy concerns that prohibit Council from directing that this matter be pursued. Amending the Town Code to allow the sale of unused parking credits would provide an additional means of obtaining necessary parking in cases where a property or business owner may seek to intensify the use of property. The availability, extent and procedure for obtaining additional parking through the sale of credits are all questions to be considered in the process of amending the Town Code. Staff recommends that the matter be pursued subject to these later policy determinations.

If Council determines that this matter should be pursued, staff will evaluate the parking district requirements and the changes necessary to implement a system allowing the use of unused parking credits. Staff will explore options for regulating the sale and/or use of unused parking credits and will likely recommend a system requiring at a minimum that any use of such credits be subject to a permit issued by the Town. Should Council direct staff to proceed as recommended, staff will add this project to its existing work plan.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT: None

Attachments:

1. Letter from Terry McElroy dated September 11, 2006 (1 page).

Distribution:

Terry McElroy, 10 Jackson Street, Ste 203B, Los Gatos, CA 95030  
Belghis and Farhad Proushani, 42 Elm Street, Los Gatos, CA 95030

BNL:RT:SLB:kh

McElroy Properties

214 Alameda Ave.  
Los Gatos, Ca. 95030  
408-399-4460

RECEIVED

SEP 11 2006

MAYOR & TOWN COUNCIL

9/11/2006

Town of Los Gatos  
Town Council  
East Main Street  
Los Gatos, Ca.

RE: Parking Assessment District

To whom it may concern:

Regarding the parking assessment district, it is disturbing to hear the term, "phantom spaces" because they do exist and they have been paid for over thirty years. The real question is not whether they exist, but who has right or entitlement to those spaces.

Over thirty years ago the assessment district was formed and some owners of parcels considered it a "rip off" that they had to pay what was formally free. Years later, we can see that it was a bargain and a valuable developmental right that is appurtenant to the parcel. Some unhappy owners bought in the absolute minimum number of parking spaces that they could.

Today, the owners may have changed, but the parcels and entitlement to the parking is the same. There is also the same number of parking spaces. As long as the business use for the parcel remains the same, theoretically the demand should equal the supply.

If the Town wanted a business to occupy a space downtown but the thirty year old parking entitlement was insufficient, the Town would have their hands tied and would have to deny it. The Town would be much more flexible if the parking entitlements were transferable. If a parcel is willing to give up its entitlement to parking spaces and another parcel is willing to accept the spaces, it should be allowed.

I am encouraging the Town Council to allow the transferring of the developmental right to parking spaces within the assessment district.

Sincerely,



Terry McElroy